

FISCAL NOTE

HB 3872 - SB 3952

February 29, 2008

SUMMARY OF BILL: Prohibits any interest earnings generated by the Reserve for Revenue Fluctuations Account (Rainy Day Fund) from reverting to the General Fund. Requires the General Assembly to pass a bill when it chooses to fund less than the statutorily required amount to the Rainy Day Fund.

ESTIMATED FISCAL IMPACT:

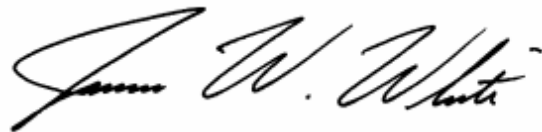
MINIMAL

Assumptions:

- According to the Department of Finance and Administration (F&A), the Rainy Day Fund will contain approximately \$750,000,000 on June 30, 2008.
- The Rainy Day Fund earns a minimum of 3.0% in FY08-09.
- Interest earnings for FY08-09 are estimated to be \$22,500,000 ($\$750,000,000 \times 3.0\% = \$22,500,000$).
- The Governor's Recommended Budget for FY08-09 includes a \$35,000,000 recommended appropriation to the Rainy Day Fund. The \$22,500,000 in interest earnings retained by the Rainy Day Fund will be applied toward this recommended appropriation. Therefore, this bill will not result in any net decrease in funds available to fund the Governor's Recommended Budget.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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